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I

Union Calendar No. 818

96TH CONGRESS
2D SESSION

H. R. 7085

[Report No. 96-1349, Parts I, II, and III]

To amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1980

Mr. FASCELL (for himself, Mr. ULLMAN, Mr. ZABLOCKI, Mr. BROOMFIELD, Mr. BUCHANAN and Mr. DERWINSKI) introduced the following bill; which was referred jointly to the Committees on Foreign Affairs, Post Office and Civil Service, and Ways and Means

SEPTEMBER 19, 1980

Additional sponsors: Mr. ALBOSTA, Mr. BARNES, Mr. BEVILL, Mrs. BOGGS, Mr. BONIOR of Michigan, Mr. BONKER, Mr. BOWEN, Mr. COELHO, Mr. D'AMOURS, Mr. DANIELSON, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. ERDAHL, Mr. FAZIO, Mr. FITHIAN, Mr. FOUNTAIN, Mr. GILMAN, Mr. GLICKMAN, Mr. GRAY, Mr. GREEN, Mr. HAMILTON, Mr. HARRIS, Mrs. HECKLER, Mr. ICHORD, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LEDERER, Mr. LEHMAN, Mr. MADIGAN, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. OBERSTAR, Mr. OTTINGER, Mr. PEPPER, Mr. PORTER, Mr. PRITCHARD, Mr. RAHALL, Mr. SIMON, Mr. SOLARZ, Mr. SOLOMON, Mr. STARK, Mr. VENTO, Mr. WINN, Mr. BINGHAM, Mr. DOUGHERTY, Mr. GARCIA, Mr. HUTTO, Mr. STOKES, Mrs. SPELLMAN, Mr. HOWARD, Mr. MCDADE, and Mr. QUAYLE

2

SEPTEMBER 19, 1980

Reported from the Committee on Post Office and Civil Service with amendments

[Omit the part struck through in lightface brackets and insert the part printed in italic]

SEPTEMBER 19, 1980

Reported from the Committee on Foreign Affairs with amendments

[Omit the part struck through and insert the part printed in boldface roman]

SEPTEMBER 19, 1980

Reported from the Committee on Ways and Means with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part in boldface brackets and insert the part printed in boldface italic]

A BILL

To amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Hostage Relief Act of
4 1980".

Committees on
Post Office and
Civil Service,
and Foreign
Affairs
amendments
Strike Title I
and insert new
language

5 ~~[TITLE I—AMENDMENTS TO TITLE 5 OF THE~~

6 ~~UNITED STATES CODE~~

7 ~~[INCOME TAX DEFERMENT~~

8 ~~[SEC. 101. (a) Section 5568 of title 5 of the United~~
9 ~~States Code is repealed.~~

10 ~~[(b) The item in the analysis for chapter 55 of title 5,~~
11 ~~United States Code, relating to section 5568 is repealed.~~

[SPECIAL PROGRAMS]

[SEC. 102. (a) Subchapter VII of chapter 55 of title 5 of the United States Code is amended by inserting at the end thereof the following:

["§ 5569. Savings program, training, and reimbursement of expenses

["(a) The Secretary of the Treasury shall establish a savings fund to which the head of an agency may allot all or a portion of the pay and allowances of any employee who is in a missing status on or after November 4, 1979. Interest on the savings fund shall be compounded quarterly at the average rate paid on United States Treasury bills with three-month maturities issued during the calendar quarter immediately preceding the first day of the applicable pay period.

["(b) The President shall issue regulations to authorize the heads of agencies to reimburse any employee who is in a missing status on or after November 4, 1979, or dependent of such an employee, for expenses incurred on or after November 4, 1979, for necessary travel, rest and recuperation, private medical care, and other expenses related to the ordeal of the employee. Reimbursements under this subsection shall not exceed \$25,000 in any calendar year for any such employee, including all of his or her dependents, and shall not cover that portion of any expenses which may be paid for by insurance.

1 ["(c) A spouse of an employee who is in a missing status
2 on or after November 4, 1979, is entitled, under regulations
3 prescribed by the President, to reimbursement for expenses
4 incurred for tuition, books, fees, and subsistence while at-
5 tending an educational or training institution. Reimbursement
6 shall not exceed the maximum amount authorized to be paid
7 to or on behalf of spouses of missing members of the Armed
8 Forces under section 1731 of chapter 35, title 38, United
9 States Code. Reimbursement under this subsection may be
10 made for attendance at educational courses or training be-
11 tween the ninety-first day the employee is in a missing status
12 and the end of the semester which follows the return of the
13 employee to United States control, but not to exceed a total
14 of forty-five months. Educational assistance shall be discon-
15 tinued under this subsection to any individual if such individ-
16 ual's conduct or educational progress is unsatisfactory under
17 standards comparable to those established pursuant to section
18 1724 of title 38, United States Code.

19 ["(d) Notwithstanding section 2105 or section 5561(2),
20 for purposes of this section, the term 'employee' means—

21 ["(1) an individual who is appointed in the civil
22 service or the uniformed services (other than the
23 Armed Forces), or

24 ["(2) a citizen or resident alien of the United
25 States whose presence abroad is for the purpose of

1 performing a Federal function, as determined, by rule,
2 by the Secretary of State.

3 **["§ 5570. Extension of applicability of certain provisions**
4 **of the Soldiers' and Sailors' Civil Relief Act**
5 **of 1940**

6 ["Pursuant to rules to be issued by the Secretary of
7 State, a citizen or resident alien of the United States who is
8 in a missing status on or after November 4, 1979, is entitled
9 to the benefits provided by the Soldiers' and Sailors' Civil
10 Relief Act of 1940 (50 U.S.C. App. 501 et seq.), except for
11 the benefits provided by sections 104, 105, 106, 401 through
12 408, 501 through 512, and 514. To carry out this section,
13 when referred to in such Act the term 'person in the military
14 service' is deemed to include any such citizen or resident
15 alien, and the term 'period of military service' is deemed to
16 include the period during which such citizen or resident alien
17 is in a missing status as the result of a hostile action against
18 the United States as determined by the Secretary of State or
19 is precluded from reasonable postal communications as the
20 result of hostile actions against a diplomatic mission, consular
21 mission, or other Foreign Service post of the United States
22 as determined by the Secretary of State. To carry out this
23 section, when referred to in such Act, references to the Sec-
24 retary of the Army, the Secretary of the Navy, the Adminis-
25 trator of Veterans' Affairs, and the Veterans' Administration

1 are deemed to be references to the Secretary of State. A
2 citizen or resident alien is deemed to be in a missing status if
3 the individual satisfies the requirement of subparagraph (A),
4 (B), (C), (D), or (E) of paragraph (5) of section 5561, but, in
5 the case of an employee, does not include the status of an
6 employee for a period during which such employee is offi-
7 cially determined to be absent from his post of duty without
8 authority.”.

9 (b) The analysis for chapter 55 of title 5, United States
10 Code, is amended by inserting after the item relating to sec-
11 tion 5568 the following new items:

 [“5569. Savings program, training, and reimbursement of expenses.

 [“5570. Extension of applicability of certain provisions of the Soldiers’ and Sailors’
Civil Relief Act of 1940.”.

12 (c) Subsections (b) and (c) of section 5569 of title 5 of
13 the United States Code shall be applicable to all citizens and
14 resident aliens of the United States determined by the Secre-
15 tary of State to be held hostage in Tehran at any time during
16 November 1979 and to their dependents and spouses, as the
17 case may be, whether or not such citizens and resident aliens
18 are Federal employees for purposes of such subsections. Any
19 reimbursements with respect to any such individuals under
20 such subsections shall be made by the Secretary of State.

21 (d) Paragraph (2) of section 5561 of title 5, United
22 States Code, is amended by inserting “, except with respect
23 to section 5569,” after “means”.

1 [EFFECTIVE DATE

2 [SEC. 103. The amendments made by section 101 shall
3 apply to taxable years ending on or after December 31,
4 1979, and the amendments made by section 102 shall take
5 effect on November 4, 1979].

6 TITLE I—SPECIAL PERSONNEL BENEFITS

Post Office and
Civil Service
Committee
amendment

7 DEFINITIONS

8 SEC. 101. For purposes of this title—

9 (1) The term "American hostage" means any in-
10 dividual who, while—

11 (A) in the civil service or the uniformed serv-
12 ices of the United States, or

13 (B) a citizen or resident alien of the United
14 States rendering personal service to the United
15 States abroad similar to the service of a civil offi-
16 cer or employee of the United States (as deter-
17 mined by the Secretary of State).

18 is placed in a captive status during the hostage period.

19 (2) The term "hostage period" means the period
20 beginning on November 4, 1979, and ending on the
21 date the President specifies, by Executive order, as the
22 date on which all citizens and resident aliens of the
23 United States who were placed in a captive status due
24 to the seizure of the United States Embassy in Iran

1 *have been returned to the United States or otherwise*
2 *accounted for.*

3 (3) *The term "family member", when used with*
4 *respect to any American hostage, means—*

5 (A) *any dependent (as defined in section*
6 *5561 of title 5, United States Code) of such hos-*
7 *tage; and*

8 (B) *any member of the hostage's family or*
9 *household (as determined under regulations which*
10 *the Secretary of State shall prescribe).*

11 (4) *The term "captive status" means a missing*
12 *status arising because of a hostile action abroad—*

13 (A) *which is directed against the United*
14 *States during the hostage period; and*

15 (B) *which is identified by the Secretary of*
16 *State in the Federal Register.*

17 (5) *The term "missing status"—*

18 (A) *in the case of employees, has the mean-*
19 *ing given it in section 5561(5) of title 5, United*
20 *States Code;*

21 (B) *in the case of members of the uniformed*
22 *services, has the meaning given it in section*
23 *551(2) of title 37, United States Code; and*

1 (C) in the case of other individuals, has a
2 similar meaning as that provided under such sec-
3 tions, as determined by the Secretary of State.

4 (6) The terms "pay and allowances", "employee",
5 and "agency" have the meanings given to such terms
6 in section 5561 of title 5, United States Code, and the
7 terms "civil service", "uniformed services", and
8 "armed forces" have the meanings given to such terms
9 in section 2101 of such title 5.

10 PAY AND ALLOWANCES MAY BE ALLOTTED TO SPECIAL
11 SAVINGS FUND

12 SEC. 102. (a) The Secretary of the Treasury shall es-
13 tablish a savings fund to which the head of an agency may
14 allot all or any portion of the pay and allowances of any
15 American hostage which are for pay periods during which the
16 American hostage is in a captive status and which are not
17 subject to an allotment under section 5563 of title 5, United
18 States Code, under section 553 of title 37, United States
19 Code, or under any other provision of law.

20 (b) Amounts so allotted to the savings fund shall bear
21 interest at a rate which, for any calendar quarter, shall be
22 equal to the average rate paid on United States Treasury
23 bills with three-month maturities issued during the preceding
24 calendar quarter. Such interest shall be compounded
25 quarterly.

1 (c) Amounts may be allotted to the savings fund from
2 pay and allowances for any pay period ending after Novem-
3 ber 4, 1979, and before the establishment of the savings fund.
4 Interest on amounts allotted from the pay and allowances for
5 any such pay period shall be calculated as if the allotment
6 had occurred at the end of the pay period.

7 (d) Amounts in the savings fund credited to any Ameri-
8 can hostage shall be considered as pay and allowances for
9 purposes of section 5563 of title 5, United States Code, (or
10 in the case of a member of the uniformed services, for pur-
11 poses of section 553 of title 37, United States Code) and
12 shall otherwise be subject to withdrawal under procedures
13 which the Secretary of the Treasury shall establish.

14 MEDICAL AND HEALTH CARE AND RELATED EXPENSES

15 SEC. 103. Under regulations prescribed by the Presi-
16 dent, the head of an agency may pay (by advancement or
17 reimbursement) any individual who is an American hostage,
18 or any family member of such an individual, for medical and
19 health care, and other expenses related to such care, to the
20 extent such care—

21 (1) is incident to that individual being an Ameri-
22 can hostage; and

23 (2) is not covered by insurance.

1 *EDUCATION AND TRAINING*

2 *SEC. 104. (a) Under regulations prescribed by the*
3 *President, the head of an agency shall pay (by advancement*
4 *or reimbursement) a spouse or a child of an American hos-*
5 *tage for expenses incurred for subsistence, tuition, fees, sup-*
6 *plies, books, and equipment, and other educational expenses,*
7 *while attending an educational or training institution. Pay-*
8 *ment shall not exceed the maximum amount authorized to be*
9 *paid with respect to missing members of the armed forces*
10 *under section 1732 of title 38, United States Code.*

11 *(b)(1) Except as provided in paragraph (2), payments*
12 *shall be available under this section for a spouse or child of*
13 *an individual who is an American hostage for education or*
14 *training which occurs—*

15 *(A) after the ninetieth day after the date the indi-*
16 *vidual is placed in a captive status, and*

17 *(B) on or before—*

18 *(i) the end of the semester or quarter (as ap-*
19 *propriate) during which the individual ceases to*
20 *be in a captive status, or*

21 *(ii) if the educational or training institution*
22 *is not operated on a semester or quarter system,*
23 *the earlier of the end of the course during which*
24 *the individual ceases to be in such captive status*

1 or the end of the 12-week period following the
2 date the individual ceases to be in such status.

3 In order to respond to special circumstances, the President
4 may specify a date for purposes of cessation of assistance
5 under subparagraph (B) which is later than the date which
6 would otherwise apply under subparagraph (B).

7 (2) In the event an American hostage dies and the death
8 is incident to that individual being an American hostage,
9 payments shall be available under this section for a spouse or
10 child of an individual who is an American hostage for educa-
11 tion or training which occurs after the date of death.

12 (3) In no event may assistance be provided under this
13 section for any spouse or child of an American hostage for a
14 period in excess of 45 months (or the equivalent thereof in
15 part-time education or training).

16 (c) Assistance under this section shall be discontinued
17 for any spouse or child if such individual's conduct or prog-
18 ress is unsatisfactory under standards consistent with those
19 established pursuant to section 1724 to title 38, United
20 States Code.

21 (d) The preceding provisions of this section shall not
22 apply with respect to any spouse or child who is eligible for
23 assistance under chapter 35 of title 38, United States Code.

24 (e) Regulations issued by the President under this sec-
25 tion shall provide that the program under this section be con-

1 *sistent with the assistance program under chapters 35 and 36*
2 *of title 38, United States Code.*

3 *EXTENSION OF APPLICABILITY OF CERTAIN BENEFITS OF*
4 *THE SOLDIERS' AND SAILORS' CIVIL RELIEF ACT OF*
5 *1940*

6 *SEC. 105. (a) Under regulations prescribed by the*
7 *President, an American hostage is entitled to the benefits pro-*
8 *vided by the Soldiers' and Sailors' Civil Relief Act of 1940*
9 *(50 U.S.C. App. 501 et seq.), including the benefits provided*
10 *by section 701 (50 U.S.C. App. 591) but excluding the bene-*
11 *fits provided by sections 104, 105, 106, 400 through 408,*
12 *501 through 512, and 514 (50 U.S.C. App. 514, 515, 516,*
13 *540 through 548, 561 through 572, and 574).*

14 *(b) In applying such Act for purposes of this section—*

15 *(1) the term "person in the military service" is*
16 *deemed to include any such American hostage;*

17 *(2) the term "period of military service" is*
18 *deemed to include the period during which such Ameri-*
19 *can hostage is in a captive status; and*

20 *(3) references to the Secretary of the Army, the*
21 *Secretary of the Navy, the Adjutant General of the*
22 *Army, The Chief of Naval Personnel, and the Com-*
23 *mandant, United States Marine Corps, are deemed to*
24 *be references to the Secretary of State.*

1 (c) *The preceding provisions of this section shall not*
2 *apply with respect to any American hostage covered by such*
3 *provisions of the Soldiers' and Sailors' Civil Relief Act of*
4 *1940 by reason of being in the Armed Forces.*

5 *APPLICABILITY TO COLOMBIAN HOSTAGE*

6 *SEC. 106. Notwithstanding the requirements of section*
7 *101(1), for purposes of this title, Richard Starr of Edmonds,*
8 *Washington, who, as a Peace Corps volunteer, was held cap-*
9 *tive in Colombia and released on or about February 10,*
10 *1980, shall be held and considered to be an American hostage*
11 *placed in a captive status on November 4, 1979.*

12 *EFFECTIVE DATE*

13 *SEC. 107. The preceding provisions of this title shall*
14 *take effect as of November 4, 1979.*

15 **TITLE I—SPECIAL PROVISIONS FOR GOV-**
16 **ERNMENT EMPLOYEES IN A MISSING**
17 **STATUS AS A RESULT OF A HOSTILE**
18 **ACTION ABROAD**

19 **SPECIAL PROVISIONS FOR CERTAIN MISSING**
20 **EMPLOYEES**

21 **SEC. 101. (a) Subchapter VII of chapter 55 of**
22 **title 5, United States Code, is amended by inserting**
23 **at the end thereof the following new section:**

1 **"§ 5569. Special provisions for Government employees in a**
2 **missing status as a result of a hostile action**
3 **abroad**

4 **"(a)(1) This section applies with respect to any**
5 **individual who the President determines is a Gov-**
6 **ernment employee who is in a missing status on or**
7 **after November 4, 1979, for purposes of this sec-**
8 **tion.**

9 **"(2)(A) Notwithstanding section 2105 or sec-**
10 **tion 5561 (2) or (5) of this title, for purposes of this**
11 **section, the term 'Government employee who is in**
12 **a missing status' means (as determined by the**
13 **President)—**

14 **"(i) an individual who is in the civil serv-**
15 **ice or the uniformed services (subject to sub-**
16 **paragraph (B) of this paragraph) and who is**
17 **in a missing status as a result of a hostile**
18 **action abroad against the United States; and**

19 **"(ii) a citizen or resident alien of the**
20 **United States whose presence abroad is for**
21 **the purpose of performing a Federal function**
22 **and who, if the individual were an employee,**
23 **would be in a missing status (as described in**
24 **subparagraphs (A) through (E) of paragraph**
25 **(5) of section 5561) as a result of a hostile**
26 **action abroad against the United States.**

1 “(B) Subsections (d) and (e) of this section do
2 not apply with respect to members of the Armed
3 Forces to the extent that those subsections provide
4 benefits which are identical to benefits which are
5 provided with respect to members of the Armed
6 Forces under any other provision of law. To the
7 extent that the benefits provided by subsections
8 (d) and (e) of this section are not identical to bene-
9 fits which are provided with respect to members of
10 the Armed Forces under another provision of law,
11 the additional benefits provided by those subsec-
12 tions shall be available, in accordance with regula-
13 tions prescribed by the President, with respect to
14 members of the Armed Forces to whom this sec-
15 tion applies.

16 “(b)(1) The Secretary of the Treasury shall es-
17 tablish a savings fund to which the head of an
18 agency may allot all or any portion of the pay and
19 allowances of any Government employee to whom
20 this section applies—

21 “(A) which are for pay periods during
22 which the employee is in a missing status
23 (within the meaning of this section); and

1 “(B) which are not subject to an allot-
2 ment under section 5563 of this title, section
3 553 of title 37, or any other provision of law.

4 “(2) Amounts so allotted to the savings fund
5 shall bear interest at a rate which, for any calen-
6 dar quarter, shall be equal to the average rate paid
7 on United States Treasury bills with three-month
8 maturities issued during the preceding calendar
9 quarter. Such interest shall be compounded quar-
10 terly.

11 “(3) Amounts may be allotted to the savings
12 fund from pay and allowances for any pay period
13 ending after November 4, 1979, and before the es-
14 tablishment of the savings fund. Interest on
15 amounts allotted from the pay and allowances for
16 any such pay period shall be calculated as if the
17 allotment had occurred at the end of the pay
18 period.

19 “(4) Amounts in the savings fund credited to a
20 Government employee shall be considered as pay
21 and allowances for purposes of section 5563 of this
22 title (or in the case of a member of a uniformed
23 service, for purposes of section 553 of title 37) and
24 shall otherwise be subject to withdrawal under

1 procedures which the Secretary of the Treasury
2 shall establish.

3 “(c) Under regulations prescribed by the
4 President, the head of an agency may pay (by ad-
5 vancement or reimbursement) any Government
6 employee to whom this section applies, or any
7 family member (as such term may be defined in
8 those regulations) or dependent of such a Govern-
9 ment employee, for expenses for medical and
10 health care, and for other expenses related to such
11 care, which were incurred on or after November 4,
12 1979, incident to the fact that the Government em-
13 ployee was in a missing status (within the mean-
14 ing of this section), but only to the extent that
15 those expenses are not covered by insurance.

16 “(d)(1) Under regulations prescribed by the
17 President, the head of an agency shall pay (by ad-
18 vancement or reimbursement) a spouse or depend-
19 ent child of a Government employee to whom this
20 section applies for expenses incurred for subsist-
21 ence, tuition, fees, supplies, books, equipment, and
22 other educational costs while attending an educa-
23 tional or training institution.

24 “(2)(A) Except as provided in subparagraph
25 (B), payment under paragraph (1) may be made

1 for attendance at educational courses or training
2 between the ninety-first day the Government em-
3 ployee is in a missing status (within the meaning
4 of this section) and the end of the semester or
5 quarter (as appropriate) during which the missing
6 status of the Government employee is terminated
7 (or such later date as the President may, under
8 special circumstances, specify), but not to exceed a
9 total of forty-five months (or the equivalent there-
10 of in part-time training).

11 “(B) If the Government employee dies while in
12 a missing status (within the meaning of this sec-
13 tion), or dies as a result of the hostile action
14 abroad against the United States, expenses for
15 education and training under paragraph (1) may
16 be paid, to the extent authorized in the regulations
17 prescribed by the President, for up to a total of
18 forty-five months (or the equivalent thereof in
19 part-time training).

20 “(3) Under regulations prescribed by the
21 President, the head of an agency may, under such
22 special circumstances as may be set forth in those
23 regulations, pay (by advancement or reimburse-
24 ment) a Government employee to whom this sec-
25 tion applies for expenses incurred, after the termi-

1 nation of the employee's missing status, for sub-
2 sistence, tuition, fees, supplies, books, equipment,
3 and other educational costs while attending an
4 educational or training institution. Payment
5 under this paragraph may be made for education-
6 al courses or training during any semester or
7 quarter (as appropriate) which begins less than ten
8 years after the date on which the employee's miss-
9 ing status is terminated (whether or not the indi-
10 vidual is still a Government employee), except that
11 payment may not be made under this paragraph
12 for attendance at educational courses or training
13 in excess of a total of forty-five months (or the
14 equivalent thereof in part-time training).

15 “(4) Payment under this subsection shall not
16 exceed the maximum amount authorized to be
17 paid under section 1732 of title 38.

18 “(5) Educational assistance shall be discon-
19 tinued under this subsection to any individual if
20 that individual's conduct or educational progress
21 is unsatisfactory under standards comparable to
22 those established pursuant to section 1724 of title
23 38.

24 “(6) Regulations prescribed by the President
25 under this subsection shall provide that the educa-

1 tional assistance program under this subsection
2 shall be comparable to the educational assistance
3 program under chapters 35 and 36 of title 38.

4 “(e)(1) Under regulations prescribed by the
5 President, a Government employee to whom this
6 section applies is entitled to the benefits provided
7 by the Soldiers’ and Sailors’ Civil Relief Act of
8 1940 (50 U.S.C. App. 501 et seq.), including the
9 benefits provided by section 701 (50 U.S.C. App.
10 591) but excluding the benefits provided by sec-
11 tions 104, 105, 106, 400 through 408, 501 through
12 512, and 514 (50 U.S.C. App. 514, 515, 516, 540
13 through 548, 561 through 572, and 574).

14 “(2) In applying such Act for purposes of car-
15 rying out this subsection—

16 “(A) the term ‘person in the military
17 service’ is deemed to include a Government
18 employee to whom this section applies;

19 “(B) the term ‘period of military service’
20 is deemed to include the period during which
21 that Government employee is in a missing
22 status (within the meaning of this section);
23 and

24 “(C) references to the Secretary of the
25 Army and the Secretary of the Navy or to the

1 Adjutant General of the Army, the Chief of
2 Naval Personnel, and the Commandant,
3 United States Marine Corps, are deemed to be
4 references to the President.”.

5 (b) The analysis for chapter 55 of title 5,
6 United States Code, is amended by inserting after
7 the item relating to section 5568 the following new
8 item:

“5569. Special provisions for Government employees in a missing
status as a result of a hostile action abroad.”.

9 (c) Paragraph (2) of section 5561 of title 5,
10 United States Code, is amended by inserting “,
11 except as provided in section 5569(a)(2),” after
12 “means”.

13 EFFECTIVE DATE

14 SEC. 102. The amendments made by section
15 101 shall be effective as of November 4, 1979.

16 [TITLE II—AMENDMENTS TO THE INTERNAL 17 REVENUE CODE OF 1954

18 [CERTAIN PAY RECEIVED BY HOSPITALIZED FEDERAL 19 EMPLOYEES

Committee on
Ways and
Means
amendment
Strike Title II
and insert new
language

20 [SEC. 201. Section 112 of the Internal Revenue Code
21 of 1954 (relating to certain combat pay of members of the
22 Armed Forces) is amended by inserting at the end thereof the
23 following new subsection:

24 [“(e) FOREIGN HOSTILE ACTIONS.—

1 **["(1) FEDERAL EMPLOYEES.—**Gross income
2 does not include compensation received for active serv-
3 ice as an employee for any month during any part of
4 which such employee—

5 **["(A)** was in a missing status as the result
6 of any hostile action against the United States, or

7 **["(B)** was hospitalized as a result of
8 wounds, injury, disease, or partial or total physi-
9 cal or mental disablement incurred during a hos-
10 tile action against the United States; but this
11 subparagraph shall not apply for any month be-
12 ginning more than 2 years after the date of the
13 termination of the hostile action.

14 **["(2) DEFINITIONS.—**For purposes of paragraph
15 (1)—

16 **["(A) HOSTILE ACTION.—**The term 'hostile
17 action against the United States' means an action
18 abroad which is directed against the United States
19 and occurs on or after November 1, 1979, which
20 the Secretary of State identifies in a letter to the
21 Secretary and which letter is published in the
22 Federal Register.

23 **["(B) FEDERAL EMPLOYEE.—**The terms
24 'active service' and 'missing status' have the re-
25 spective meanings given to such terms by section

1 5561 of title 5 of the United States Code, and the
2 term 'employee' has the meaning given to such
3 term by section 5569(d) of title 5 of the United
4 States Code." term 'employee' means an in-
5 dividual (other than a member of the
6 Armed Forces of the United States) who
7 is a Government employee within the
8 meaning of section 5569(a)(2) of title 5,
9 United States Code."

10 **[INCOME TAXES OF FEDERAL EMPLOYEES ON DEATH**
11 **RESULTING FROM HOSTILE ACTIONS IN FOREIGN**
12 **COUNTRIES**

13 **[SEC. 202.** Section 692 of the Internal Revenue Code
14 of 1954 (relating to income taxes of members of Armed
15 Forces on death) is amended by inserting at the end thereof
16 the following new subsection:

17 **[“(c) FOREIGN HOSTILE ACTIONS.—**

18 **[“(1) GENERAL RULE.—**In the case of any indi-
19 vidual who dies on or after November 1, 1979, while
20 in active service as an employee, if such death oc-
21 curred as a result of wounds, injury, disease, or partial
22 or total physical or mental disablement incurred during
23 a hostile action against the United States—

24 **[“(A) any tax imposed by this subtitle shall**
25 not apply with respect to the taxable year in

1 which falls the date of such individual's death, or
2 with respect to any prior taxable year ending on
3 or after the first day such individual was in a
4 missing status within the meaning of section
5 112(e); and

6 ["(B) any tax under this subtitle which is
7 unpaid at the date of such individual's death (in-
8 cluding interest, additions to the tax, and addi-
9 tional amounts) shall not be assessed, and if
10 assessed the assessment shall be abated, and if
11 collected shall be credited or refunded as an over-
12 payment.

13 For purposes of this paragraph, the date of death shall
14 be treated as being not earlier than the date on which
15 a determination of such individual's death is made
16 under section 5565 of title 5 of the United States
17 Code. This paragraph shall not apply for any taxable
18 year beginning more than 2 years after the date of ter-
19 mination of the hostile action as determined for pur-
20 poses of section 112(e).

21 ["(2) DEFINITIONS.—For purposes of paragraph
22 (1), the term 'active service' has the meaning given to
23 such term by section 5561 of title 5 of the United
24 States Code, the term 'employee' ~~has the meaning~~
25 ~~given to such term by section 5569(d)~~ means an in-

1 **["(C) CITIZENS AND RESIDENT ALIENS.—**

2 A citizen or resident alien of the United States
3 (other than an individual referred to in subpara-
4 graph (A) or (B)) is in a missing status for any
5 period during which such individual satisfies the
6 requirement of subparagraph (A), (B), (C), (D), or
7 (E) of paragraph (5) of section 5561 of title 5 of
8 the United States Code as determined by the Sec-
9 retary of State."

10 **["FEDERAL TAX DEFERMENT**

11 **["SEC. 204. (a) Section 7508(a) of the Internal Revenue**
12 Code of 1954 (relating to time to be disregarded) is amended
13 to read as follows:

14 **["(a) TIME TO BE DISREGARDED.—In the case of—**

15 **["(1) an individual serving in the Armed Forces**
16 of the United States, or serving in support of such
17 Armed Forces, in an area designated by the President
18 of the United States by Executive order as a 'combat
19 zone' for purposes of section 112, at any time during
20 the period designated by the President by Executive
21 order as the period of combatant activities in such zone
22 for purposes of such section, or hospitalized outside the
23 United States as a result of injury received while serv-
24 ing in such an area during such time, the period of
25 service in such area, plus the period of continuous hos-

1 pitalization outside the United States attributable to
2 such injury; or

3 [“(2) a citizen or resident alien of the United
4 States who is in a missing status within the meaning of
5 section 112(e) or hospitalized outside the United States
6 as the result of wounds, injury, disease, or partial or
7 total physical or mental disablement incurred during a
8 hostile action against the United States within the
9 meaning of section 112(e), the period of such missing
10 status plus the period of continuous hospitalization out-
11 side the United States attributable to such wounds,
12 injury, disease, or disablement; and

13 the next 180 days thereafter shall be disregarded in deter-
14 mining, under the internal revenue laws, in respect of any tax
15 liability (including any interest, penalty, additional amount,
16 or addition to the tax) of such individual—

17 [“(A) Whether any of the following acts was
18 performed within the time prescribed therefor:

19 [“(i) Filing any return of income, estate, or
20 gift tax (except income tax withheld at source and
21 income tax imposed by subtitle C or any law su-
22 perseded thereby);

23 [“(ii) Payment of any income, estate, or gift
24 tax (except income tax withheld at source and
25 income tax imposed by subtitle C or any law su-

1 perseded thereby) or any installment thereof or of
2 any other liability to the United States in respect
3 thereof;

4 【“(iii) Filing a petition with the Tax Court
5 for redetermination of a deficiency, or for review
6 of a decision rendered by the Tax Court;

7 【“(iv) Allowance of a credit or refund of any
8 tax;

9 【“(v) Filing a claim for credit or refund of
10 any tax;

11 【“(vi) Bringing suit upon any such claim for
12 credit or refund;

13 【“(vii) Assessment of any tax;

14 【“(viii) Giving or making any notice or
15 demand for the payment of any tax, or with re-
16 spect to any liability to the United States in re-
17 spect of any tax;

18 【“(ix) Collection, by the Secretary, by levy
19 or otherwise, of the amount of any liability in re-
20 spect of any tax;

21 【“(x) Bringing suit by the United States, or
22 any officer on its behalf, in respect of any liability
23 in respect of any tax; and

24 【“(xi) Any other act required or permitted
25 under the internal revenue laws specified in regu-

1 lations prescribed under this section by the
2 Secretary;

3 **["**(B) The amount of any credit or refund (includ-
4 ing interest).

5 In the case of a citizen or resident alien of the United States
6 who is not ~~an~~ **a Government** employee within the meaning
7 of section ~~5569(d)~~ **5569(a)(2)** of title 5 of the United States
8 Code, such individual is in a missing status for purposes of
9 this subsection for any period during which such individual
10 satisfies the requirement of subparagraph (A), (B), (C), (D),
11 or (E) of paragraph (5) of section 5561 of title 5 of the United
12 States Code as determined by the Secretary of State.”.

13 **[(b)** Section 7508(b) of the Internal Revenue Code of
14 1954 (relating to application to spouse) is amended by strik-
15 ing out “or” at the end of paragraph (1), by striking out the
16 period at the end of paragraph (2) and inserting in lieu there-
17 of “, or”, and by inserting at the end thereof the following
18 new paragraph:

19 **["**(3) more than 2 years after the date as deter-
20 mined for purposes of section 112(e) as the date of ter-
21 mination of the missing status of the individual.”.

22 **[(c)** Section 7508(c) of the Internal Revenue Code of
23 1954 (relating to missing status) is amended by inserting
24 “(1)” after “(a)” both times it appears therein.

1 **【APPLICABILITY TO ALL TEHRAN HOSTAGES**

2 **【SEC. 205.** Except as provided by the next sentence,
3 the amendments made by sections 201 and 202 to sections
4 112 and 692, respectively, of the Internal Revenue Code of
5 1954 shall be applicable to all citizens and resident aliens of
6 the United States determined by the Secretary of State to be
7 held hostage in Tehran at any time during November 1979,
8 whether or not such citizens or resident aliens are Federal
9 employees for purposes of such sections. For purposes of the
10 preceding sentence, the compensation of such individuals who
11 are not Federal employees which exceeds the daily equiva-
12 lent of the annual rate of basic pay in effect for level V of the
13 Executive Schedule shall not be excluded from such individ-
14 ual's gross income.

15 **【EFFECTIVE DATE**

16 **【SEC. 206.** The amendments made by this title shall
17 apply to taxable years ending on or after December 31,
18 1979.】

19 **TITLE II—TAX PROVISIONS**20 *SEC. 201. COMPENSATION EXCLUDED FROM GROSS INCOME.*

21 *For purposes of the Internal Revenue Code of*
22 *1954, the gross income of an individual who was at*
23 *any time an American hostage does not include com-*
24 *pen-sation from the United States received for any*

Ways and
Means
Committee
amendment

1 *month during any part of which such individual*
2 *was—*

3 *(1) in captive status, or*

4 *(2) hospitalized as a result of such individ-*
5 *ual's captive status.*

6 *SEC. 202. INCOME TAXES OF HOSTAGES WHERE DEATH RESULTS*
7 *FROM CAPTIVE STATUS.*

8 *(a) GENERAL RULE.—In the case of an individ-*
9 *ual who was at any time an American hostage and*
10 *who dies as a result of injury or disease or physical*
11 *or mental disability incurred or aggravated while*
12 *such individual was in captive status—*

13 *(1) any tax imposed by subtitle A of the*
14 *Internal Revenue Code of 1954 shall not apply*
15 *with respect to—*

16 *(A) the taxable year in which falls the*
17 *date of such individual's death, or*

18 *(B) any prior taxable year ending on*
19 *or after the first day such individual was*
20 *in captive status, and*

21 *(2) any tax imposed under such subtitle A*
22 *for taxable years preceding those specified in*
23 *paragraph (1) which is unpaid at the date of*
24 *such individual's death (including interest, ad-*
25 *ditions to the tax, and additional amounts)—*

1 (A) *shall not be assessed,*

2 (B) *if assessed, the assessment shall*
3 *be abated, and*

4 (C) *if collected, shall be credited or re-*
5 *funded as an overpayment.*

6 (b) *DEATH MUST OCCUR WITHIN 2 YEARS OF*
7 *CESSATION OF CAPTIVE STATUS.—This section shall*
8 *not apply unless the death of the individual occurs*
9 *within 2 years after such individual ceases to be in*
10 *captive status.*

11 SEC. 203. *SPOUSE MAY FILE JOINT RETURN.*

12 (a) *GENERAL RULE.—If an individual is an*
13 *American hostage who is in captive status, such in-*
14 *dividual's spouse may elect to file a joint return*
15 *under section 6013(a) of the Internal Revenue Code*
16 *of 1954 for any taxable year—*

17 (1) *which begins on or before the day*
18 *which is 2 years after the date on which the*
19 *hostage period ends, and*

20 (2) *for which such spouse is otherwise en-*
21 *titled to file such a joint return.*

22 (b) *CERTAIN RULES MADE APPLICABLE.—For*
23 *purposes of subsection (a), paragraphs (2) and (4) of*
24 *section 6013(f) of such Code (relating to joint return*
25 *where individual is in missing status) shall apply as*

1 *if the election described in subsection (a) of this sec-*
2 *tion were an election described in paragraph (1) of*
3 *such section 6013(f).*

4 *SEC. 204. TIME FOR PERFORMING CERTAIN ACTS POSTPONED*
5 *BY REASON OF CAPTIVE STATUS.*

6 *(a) GENERAL RULE.—In the case of any individ-*
7 *ual who was at any time an American hostage, any*
8 *period during which he was in captive status (and*
9 *any period during which he was outside the United*
10 *States and hospitalized as a result of captive status),*
11 *and the next 180 days thereafter, shall be disregard-*
12 *ed in determining, under the internal revenue laws,*
13 *in respect of any tax liability (including any inter-*
14 *est, penalty, additional amount, or addition to the*
15 *tax) of such individual—*

16 *(1) whether any of the acts specified in*
17 *paragraph (1) of section 7508(a) of the Internal*
18 *Revenue Code of 1954 was performed within*
19 *the time prescribed therefor, and*

20 *(2) the amount of any credit or refund (in-*
21 *cluding interest).*

22 *(b) APPLICATION TO SPOUSE.—The provisions*
23 *of this section shall apply to the spouse of any indi-*
24 *vidual entitled to the benefits of subsection (a). The*
25 *preceding sentence shall not cause this section to*

1 *apply to any spouse for any taxable year beginning*
2 *more than 2 years after the date on which the hos-*
3 *tage period ends.*

4 (c) *SECTION 7508(d) MADE APPLICABLE.—Sub-*
5 *section (d) of section 7508 of the Internal Revenue*
6 *Code of 1954 shall apply to subsection (a) in the*
7 *same manner as if the benefits of subsection (a)*
8 *were provided by subsection (a) of such section 7508.*

9 *SEC. 205 DEFINITIONS AND SPECIAL RULES.*

10 (a) *AMERICAN HOSTAGE.—For purposes of this*
11 *title, the term “American hostage” means any indi-*
12 *vidual who, while—*

13 (1) *in the civil service or the uniformed*
14 *services of the United States, or*

15 (2) *a citizen or resident alien of the United*
16 *States rendering personal service to the United*
17 *States abroad similar to the service of a civil*
18 *officer or employee of the United States (as de-*
19 *termined by the Secretary of State),*
20 *is placed in a captive status during the hostage*
21 *period.*

22 (b) *HOSTAGE PERIOD.—For purposes of this*
23 *title, the term “hostage period” means the period be-*
24 *ginning on November 4, 1979, and ending on which-*
25 *ever of the following dates is the earlier:*

1 *(1) the date the President specifies, by Ex-*
2 *ecutive order, as the date on which all citizens*
3 *and resident aliens of the United States who*
4 *were placed in a captive status due to the seiz-*
5 *ure of the United States Embassy in Iran have*
6 *been returned to the United States or otherwise*
7 *accounted for, or*

8 *(2) December 31, 1981.*

9 *(c) CAPTIVE STATUS.—For purposes of this*
10 *title—*

11 *(1) IN GENERAL.—The term “captive*
12 *status” means a missing status arising because*
13 *of a hostile action abroad—*

14 *(A) which is directed against the*
15 *United States during the hostage period,*
16 *and*

17 *(B) which is identified by the Secre-*
18 *tary of State in the Federal Register.*

19 *(2) MISSING STATUS DEFINED.—The term*
20 *“missing status”—*

21 *(A) in the case of employees, has the*
22 *meaning given it in section 5561(5) of title*
23 *5, United States Code,*

24 *(B) in the case of members of the uni-*
25 *formed services, has the meaning given it*

1 *in section 551(2) of title 37, United States*
2 *Code, and*

3 *(C) in the case of other individuals,*
4 *has a similar meaning as that provided*
5 *under such sections, as determined by the*
6 *Secretary of State.*

7 *For purposes of the preceding sentence, the*
8 *term "employee" has the meaning given to such*
9 *term by section 5561(2) of title 5, United States*
10 *Code.*

11 ***(d) HOSPITALIZED AS A RESULT OF CAPTIVE***
12 ***STATUS.—***

13 ***(1) IN GENERAL.—****For purposes of this*
14 *title, an individual shall be treated as hospital-*
15 *ized as a result of captive status if such indi-*
16 *vidual is hospitalized as a result of injury or*
17 *disease or physical or mental disability in-*
18 *curring or aggravated while such individual was*
19 *in captive status.*

20 ***(2) 2-YEAR LIMIT.—****Hospitalization shall*
21 *be taken into account for purposes of para-*
22 ***graph (1) only if it is hospitalization—***

23 ***(A) occurring on or before the day***
24 *which is 2 years after the date on which*
25 *the individual's captive status ends (or, if*

1 *earlier, the date on which the hostage*
2 *period ends), or*

3 *(B) which is part of a continuous*
4 *period of hospitalization which began on or*
5 *before the day determined under subpara-*
6 *graph (A).*

7 *(e) CIVIL SERVICE; UNIFORMED SERVICES.—For*
8 *purposes of this section, the terms “civil service”*
9 *and “uniformed services” have the meanings given*
10 *to such terms by section 2101 of title 5, United*
11 *States Code.*

12 *(f) APPLICATION OF TITLE TO ALL TEHRAN*
13 *HOSTAGES.—In the case of any citizen or resident*
14 *alien of the United States who is determined by the*
15 *Secretary of State to have been held hostage in*
16 *Tehran at any time during November 1979, for pur-*
17 *poses of this title—*

18 *(1) such individual shall be treated as an*
19 *American hostage whether or not such individ-*
20 *ual meets the requirements of paragraph (1) or*
21 *(2) of subsection (a), and*

22 *(2) if such individual was not in the civil*
23 *service or the uniformed services of the United*
24 *States—*

1 (A) section 201 shall be applied by
2 substituting "earned income (as defined in
3 section 911(b) of the Internal Revenue
4 Code of 1954) attributable to" for "com-
5 pensation from the United States received
6 for", and

7 (B) the amount excluded from gross
8 income under section 201 for any month
9 shall not exceed the monthly equivalent of
10 the annual rate of basic pay payable for
11 level V of the Executive Schedule.

12 (g) APPLICATION OF TITLE TO INDIVIDUAL
13 HELD CAPTIVE IN COLOMBIA.—For purposes of this
14 title, Richard Starr of Edmonds, Washington, who,
15 as a Peace Corps Volunteer, was held captive in Co-
16 lombia, shall be treated as an American hostage who
17 was in captive status beginning on November 4,
18 1979, and ending on February 10, 1980.

19 (h) SPECIAL RULES.—

20 (1) COMPENSATION.—For purposes of this
21 title, the term "compensation" shall not in-
22 clude any amount received as an annuity or as
23 retirement pay.

24 (2) WAGE WITHHOLDING.—Any amount ex-
25 cluded from gross income under section 201

1 *shall not be treated as wages for purposes of*
 2 *chapter 24 of the Internal Revenue Code of*
 3 *1954.*

4 **SEC. 206. STUDY OF TAX TREATMENT OF HOSTAGES.**

5 **(a) STUDY.**—*The Chief of Staff of the Joint*
 6 *Committee on Taxation shall study all aspects of the*
 7 *tax treatment of citizens and resident aliens of the*
 8 *United States who are taken hostage or are other-*
 9 *wise placed in a missing status.*

10 **(b) REPORT.**—*The Chief of Staff of the Joint*
 11 *Committee on Taxation shall, before July 1, 1981,*
 12 *report the results of the study made pursuant to sub-*
 13 *section (a) to the Committee on Ways and Means of*
 14 *the House of Representatives and the Committee on*
 15 *Finance of the Senate.*

Foreign Affairs
 Committee
 amendment

16 **TITLE III—TREATMENT OF THE HOSTAGES**
 17 **IN IRAN**

18 **VISITS BY THE INTERNATIONAL RED CROSS**

19 **SEC. 301. (a) The Congress finds that—**

20 **(1) the continued illegal and unjustified**
 21 **detention of the American hostages by the**
 22 **Government of Iran has resulted in the dete-**
 23 **rioration of relations between the United**
 24 **States and Iran; and**

1 (2) the protracted length and the condi-
2 tions of their confinement have reportedly
3 endangered the physical and mental well-
4 being of the hostages.

5 (b) Therefore, it is the sense of the Congress
6 that the President should make a formal request
7 of the International Committee of the Red Cross
8 to—

9 (1) make regular and periodic visits to
10 the American hostages being held in Iran for
11 the purpose of determining whether the hos-
12 tages are being treated in a humane and
13 decent manner and whether they are receiv-
14 ing proper medical attention;

15 (2) urge other countries to solicit the co-
16 operation of the Government of Iran in the
17 visits to the hostages by the International
18 Committee of the Red Cross; and

19 (3) report to the United States its find-
20 ings after each such visit.

Amend the title so as to read: "A bill to provide cer-
tain benefits to individuals held hostage in Iran and to simi-
larly situated individuals."

Committees on
Post Office and
Civil Service,
and Ways and
Means title
amendments
are identical

Union Calendar No. 818

96TH CONGRESS
2d Session

H. R. 7085

[Report No. 96-1349, Parts I, II, and III]

A BILL

To amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals.

APRIL 17, 1980

Referred jointly to the Committees on Foreign Affairs, Post Office and Civil Service, and Ways and Means

SEPTEMBER 19, 1980

Reported from the Committee on Post Office and Civil Service with amendments

SEPTEMBER 19, 1980

Reported from the Committee on Foreign Affairs with amendments

SEPTEMBER 19, 1980

Reported from the Committee on Ways and Means with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed